

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF SOUTH CAROLINA  
GREENVILLE DIVISION

UNITED STATES OF AMERICA,	)	February 23, 2010
	)	
-versus-	)	Greenville, SC
	)	
SHAY CHARLES MICHAELSON,	)	6:06-946-1
KRISTEN MARIE HARMON,	)	6:09-894-2
ALVARO EZEQUEIL ALAS,	)	6:09-1067-1
LEONIDAS HYESTOS,	)	6:09-1067-2
JOEY RAYSHON PATTERSON,	)	6:09-1078-2
TOMMY TRAVIS RICE,	)	6:09-1078-4
ERIC MICHAEL SHOEMAKER,	)	7:09-1079-1
Defendants.	)	

TRANSCRIPT OF CHANGE OF PLEA

BEFORE THE HONORABLE HENRY M. HERLONG, JR.  
SENIOR UNITED STATES DISTRICT JUDGE, presiding

A P P E A R A N C E S:

For the Government:	DAVID C. STEPHENS, AUSA WILLIAM J. WATKINS, JR, AUSA ANDREW B. MOORMAN, AUSA US Attorney's Office 105 N. Spring St., Ste 200 Greenville, SC 29601
For Defendant Michaelson:	DAVID W. PLOWDEN, ESQ. Federal Public Defender 75 Beattie Place, Ste. 950 Greenville, SC 29601
For Defendant Harmon:	JACK LYNN, ESQ. 101 McGee Street Greenville, SC 29601
For Defendant Alas:	RICHARD H. WARDER, ESQ. PO Box 26133 Greenville, SC 29616
For Defendant Hyestos:	J. BRADLEY BENNETT, ESQ. 101 W. Park Avenue Greenville, SC 29601

For Defendant Patterson: MARGARET A. CHAMBERLAIN, ESQ  
PO Box 10184  
Greenville, SC 29603

For Defendant Rice: O. CYRUS HINTON, ESQ.  
145 N. Church Street  
Spartanburg, SC 29306

For Defendant Shoemaker: MICHAEL A. MACKINNON, ESQ.  
300 Pettigru Street  
Greenville, SC 29601

Court Reporter: KAREN E. MARTIN, RMR, CRR  
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Room 304  
Greenville, SC 29601

The proceedings were taken by mechanical stenography and  
the transcript produced by computer.

February 23, 2010

**THE CLERK:** I'm going to line up the first group. If you will come forward as I call your name. Shay Charles Michaelson represented by Mr. Plowden; Kristen Marie Harmon represented by Mr. Lynn; Alvaro Ezequeil Alas represented by Mr. Warder; Leonidas Hystos represented by Mr. Bennett; next, Joey Rayshon Patterson with Ms. Chamberlain; Tommy Travis Rice with Mr. Hinton; and Eric Michael Shoemaker with Mr. MacKinnon.

**THE COURT:** To those defendants standing before me, you have indicated you wish to plead guilty. I will be asking you questions and giving you advice as to what you are giving up as far as giving up your right to a jury trial by pleading guilty. If at any time during this proceeding you have any questions, make that question known to the Court. You may confer with your attorney at any time that you have a question.

You will be under oath. Every statement you make to the Court must be truthful. Should you make a false statement to a material matter, you could be prosecuted for perjury which is a separate criminal offense.

I will be asking questions to the group but I need for you to answer one at a time. If that occurs, I want to start on this end, your right, and have you to

1 speak up and answer one at a time. You do need to speak  
2 up so that everyone can hear your response.

3 The interpreter has been sworn previously but  
4 we'll swear her again.

5 (WHEREUPON, the interpreter was sworn.)

6 **THE COURT:** And now I'll ask that an oath be  
7 given to the defendants.

8 **THE CLERK:** Defendants, please raise your right  
9 hands to be sworn.

10 (WHEREUPON, the defendants were sworn.)

11 **THE COURT:** Mr. Michaelson, what's your full  
12 name?

13 **MR. MICHAELSON:** Shay Charles Michaelson.

14 **THE COURT:** And how old are you?

15 **MR. MICHAELSON:** Thirty-one.

16 **THE COURT:** How far did you go in school?

17 **MR. MICHAELSON:** Second year of college.

18 **THE COURT:** Have you ever been treated for any  
19 type of mental condition?

20 **MR. MICHAELSON:** No, sir.

21 **THE COURT:** This morning are you under the  
22 influence of any type of alcohol, drug or medicine?

23 **MR. MICHAELSON:** No, Your Honor.

24 **THE COURT:** Mr. Plowden, do you have any  
25 question as to his competence?

1           **MR. PLOWDEN:** No, sir.

2           **THE COURT:** Ms. Harmon, what's your full name?

3           **MS. HARMON:** Kristen Marie Harmon.

4           **THE COURT:** And how old are you?

5           **MS. HARMON:** I am 39.

6           **THE COURT:** How far did you go in school?

7           **MS. HARMON:** I went two years in college.

8           **THE COURT:** Have you ever been treated for any  
9 type of mental, emotional or psychiatric condition?

10          **MS. HARMON:** Depression.

11          **THE COURT:** Are you under treatment for that at  
12 this time?

13          **MS. HARMON:** No, sir.

14          **THE COURT:** And this morning are you under the  
15 influence of any type of alcohol, drug or medicine?

16          **MS. HARMON:** No, sir.

17          **THE COURT:** Mr. Lynn, do you have any question  
18 as to her competence?

19          **MR. LYNN:** No, sir.

20          **THE COURT:** Mr. Alas, what's your full name?

21          **MR. ALAS:** Alvaro Ezequeil-Alas.

22          **THE COURT:** Do you speak any English?

23          **MR. ALAS:** Yes, sir.

24          **THE COURT:** Well, you can answer me in English.  
25 And if you have any question, we have an interpreter for

1 you. How old are you?

2 **MR. ALAS:** Twenty-one.

3 **THE COURT:** How far did you go in school?

4 **MR. ALAS:** I went to the 9th grade.

5 **THE COURT:** Have you ever been treated for any  
6 type of mental condition?

7 **MR. ALAS:** No, sir.

8 **THE COURT:** This morning are you under the  
9 influence of any type of alcohol, drug or medicine?

10 **MR. ALAS:** No, sir.

11 **THE COURT:** And Mr. Warder, do you have any  
12 question as to his competence?

13 **MR. WARDER:** No, Your Honor, I do not.

14 **THE COURT:** Mr. Hyestos, what is your full name?

15 **MR. HYESTOS:** Leonidas Hyestos.

16 **THE COURT:** Do you speak any English?

17 **MR. HYESTOS:** No, sir.

18 **THE COURT:** How old are you?

19 **MR. HYESTOS:** Eighteen.

20 **THE COURT:** How far did you go in school?

21 **MR. HYESTOS:** I did not attend school.

22 **THE COURT:** Have you ever been treated for any  
23 type of mental condition?

24 **MR. HYESTOS:** No.

25 **THE COURT:** This morning are you under the

1 influence of any type of alcohol, drug or medicine?

2 **MR. HYESTOS:** No, sir.

3 **THE COURT:** Mr. Bennett, do you have any  
4 question as to his competence?

5 **MR. BENNETT:** No, sir, Your Honor.

6 **THE COURT:** Mr. Patterson, what's your full  
7 name?

8 **MR. PATTERSON:** Joey Rayshon Patterson.

9 **THE COURT:** And how old are you?

10 **MR. PATTERSON:** Twenty-eight.

11 **THE COURT:** How far did you go in school?

12 **MR. PATTERSON:** I graduated high school.

13 **THE COURT:** Have you ever been treated for any  
14 type of mental, emotional or psychiatric condition?

15 **MR. PATTERSON:** No, sir.

16 **THE COURT:** This morning are you under the  
17 influence of any type of alcohol, drug or medicine?

18 **MR. PATTERSON:** No, sir.

19 **THE COURT:** Ms. Chamberlain, do you have any  
20 question as to his competence?

21 **MS. CHAMBERLAIN:** No, Your Honor.

22 **THE COURT:** Mr. Rice, what's your full name?

23 **MR. RICE:** Tommy Travis Rice.

24 **THE COURT:** And how old are you?

25 **MR. RICE:** Twenty-nine.

1           **THE COURT:** How far did you go in school?

2           **MR. RICE:** Ninth grade.

3           **THE COURT:** Have you ever been treated for any  
4 type of mental condition?

5           **MR. RICE:** No, sir.

6           **THE COURT:** This morning are you under the  
7 influence of any type of alcohol, drug or medicine?

8           **MR. RICE:** No, sir.

9           **THE COURT:** Mr. Hinton, do you have any question  
10 as to his competence?

11          **MR. HINTON:** I do not, Your Honor.

12          **THE COURT:** Mr. Shoemaker, what's your full  
13 name?

14          **MR. SHOEMAKER:** Eric Michael Shoemaker.

15          **THE COURT:** And how old are you?

16          **MR. SHOEMAKER:** I'm 48.

17          **THE COURT:** How far did you go in school?

18          **MR. SHOEMAKER:** College.

19          **THE COURT:** Did you finish college?

20          **MR. SHOEMAKER:** Yes, sir.

21          **THE COURT:** Have you ever been treated for any  
22 type of mental condition?

23          **MR. SHOEMAKER:** Yes.

24          **THE COURT:** Are you under treatment at this  
25 time?



1           **MR. SHOEMAKER:** Yes, I am.

2           **THE COURT:** What type of condition?

3           **MR. SHOEMAKER:** Antidepressants.

4           **THE COURT:** Are you taking medication for  
5 depression at this time?

6           **MR. SHOEMAKER:** Yes.

7           **THE COURT:** And does that medication interfere  
8 in any way with your ability to understand what's taking  
9 place?

10          **MR. SHOEMAKER:** No, sir.

11          **THE COURT:** Other than that medication, are you  
12 under the influence this morning of any type of alcohol,  
13 drug or medicine?

14          **MR. SHOEMAKER:** No, sir.

15          **THE COURT:** Mr. MacKinnon, do you have any  
16 question as to his competence?

17          **MR. MacKINNON:** No, Your Honor. I would add  
18 that he was sent for a psychiatric evaluation and he was  
19 found competent, Your Honor. We did not disagree with  
20 that finding.

21          **THE COURT:** Thank you, sir.

22               The Court finds that each defendant is competent  
23 to proceed. And that finding is based upon the answers  
24 given, the representations made and also from my  
25 observation of each of the defendants standing before me

1 this morning.

2 I now ask each of you whether you have had  
3 enough time to discuss this matter with your attorney and  
4 whether you are satisfied thus far with your attorney?

5 **MR. MICHAELSON:** Yes, sir.

6 **MS. HARMON:** Yes, sir.

7 **MR. ALAS:** Yes, sir.

8 **MR. HYESTOS:** Yes, sir.

9 **MR. PATTERSON:** Yes, sir.

10 **MR. RICE:** Yes, sir.

11 **MR. SHOEMAKER:** Yes, sir.

12 **THE COURT:** Do you have any complaints of your  
13 attorney or anyone else in connection with this case?

14 **MR. MICHAELSON:** No, Your Honor.

15 **MS. HARMON:** No, Your Honor.

16 **MR. ALAS:** No, Your Honor.

17 **MR. HYESTOS:** No.

18 **MR. PATTERSON:** No, sir.

19 **MR. RICE:** No.

20 **MR. SHOEMAKER:** No, sir.

21 **THE COURT:** At this time I will go over the  
22 indictment to which you are offering to plead guilty.

23 Mr. Michaelson, you are offering to plead guilty  
24 to Count 1 of your indictment which charges that on or  
25 about December 2005 in the District of South Carolina that

1 you with the intent to defraud did falsely make, forge and  
2 counterfeit obligations of the United States; that is,  
3 20-dollar Federal Reserve notes. Do you understand what  
4 you are charged with?

5 **MR. MICHAELSON:** Yes, Your Honor.

6 **THE COURT:** The elements are as follows: That  
7 you falsely made, forged or either counterfeited  
8 obligations of the United States which were sufficiently  
9 similar to genuine currency so as to fool an honest,  
10 unsuspecting person; and that you did so with the intent  
11 to defraud. Do you understand those elements?

12 **MR. MICHAELSON:** Yes, Your Honor.

13 **THE COURT:** The statute provides for a maximum  
14 sentence of \$250,000 and/or imprisonment for 20 years,  
15 supervised release of three years and a special assessment  
16 of \$100. Do you understand that?

17 **MR. MICHAELSON:** Yes, Your Honor.

18 **THE COURT:** Understanding what you are charged  
19 with, what the elements are and what the statutory  
20 sentencing provisions could be, do you still wish to plead  
21 guilty?

22 **MR. MICHAELSON:** Yes, Your Honor.

23 **THE COURT:** Ms. Harmon, you are offering to  
24 plead guilty to Counts 4 and 5 of your indictment. Count  
25 4 charges as follows: That on or about January 23, 2009,

1 in the District of South Carolina that you did knowingly  
2 possess with the intent to use unlawfully and to transfer  
3 unlawfully five or more authentication features,  
4 identification documents and false identification  
5 documents other than those issued lawfully to you  
6 affecting interstate commerce; to wit, South Carolina  
7 driver's licenses, false South Carolina driver's licenses  
8 and genuine South Carolina identification cards and false  
9 South Carolina cards of five or more individuals. Do you  
10 understand what you are charged with in Count 4?

11 **MS. HARMON:** Yes, sir.

12 **THE COURT:** The elements of this offense are as  
13 follows: That you possessed five or more false  
14 identification documents, genuine identification documents  
15 or authentication features; that you did so knowingly and  
16 willfully with the intent to unlawfully possess or  
17 transfer the false identification documents, genuine  
18 identification documents or authentication features; and  
19 that your possession of these documents was in or affected  
20 interstate commerce. Do you understand those elements?

21 **MS. HARMON:** Yes, sir.

22 **THE COURT:** The statute provides for a maximum  
23 sentence of 15 years, maximum fine of \$250,000, supervised  
24 release of three years and a special assessment of \$100.  
25 Do you understand that?

1                   **MS. HARMON:** Yes, sir.

2                   **THE COURT:** In Count 5, you are charged with the  
3 following: That on or about January 23, 2009, in the  
4 District of South Carolina, you, during and in relation to  
5 a felony violation of 18 USC Section 1028(a)(3), which is  
6 charged in Count 4, that you did possess with lawful --  
7 that you knowingly did possess with lawful authority a  
8 means of identification of another person; that is, the  
9 name -- excuse me, I think I said that wrong. Did  
10 knowingly possess without lawful authority a means of  
11 identification of another person; that is, the name, date  
12 of birth and South Carolina driver's license number of  
13 another individual. Do you understand what you are  
14 charged with in Count 5?

15                   **MS. HARMON:** Yes, sir.

16                   **THE COURT:** The elements are that you knowingly  
17 did transfer, possess or use a means of identification of  
18 another person without lawful authority. Do you  
19 understand those elements?

20                   **MS. HARMON:** Yes, sir.

21                   **THE COURT:** The statute provides a maximum fine  
22 of \$250,000 and/or imprisonment for two years consecutive  
23 to any other term of imprisonment imposed for the fraud  
24 count and supervised release of one year and a special  
25 assessment of \$100. Do you understand that?

1                   **MS. HARMON:** Yes, sir.

2                   **THE COURT:** As to Counts 4 and 5, understanding  
3 what you are charged with, what the elements are and what  
4 the statutory sentencing provisions could be, do you still  
5 wish to plead guilty?

6                   **MS. HARMON:** Yes, sir.

7                   **THE COURT:** Mr. Alas and Mr. Hyestos, you are  
8 offering to plead guilty to Count 1 of your indictment  
9 which charges as follows: That beginning at a time  
10 unknown to the grand jury but beginning at least April --  
11 at April of 2009 and continuing thereafter up to and  
12 including the date of the indictment, that you knowingly  
13 and intentionally did enter into an unlawful conspiracy to  
14 possess -- to unlawfully possess with the intent to  
15 distribute cocaine and crack cocaine; said conspiracy  
16 involving five kilograms or more of cocaine and 50-grams  
17 or more of crack cocaine. Do you understand what you are  
18 charged with in Count 1 of the indictment?

19                   **MR. ALAS:** Yes, Your Honor.

20                   **MR. HYESTOS:** Yes, sir.

21                   **THE COURT:** The elements of this offense are as  
22 follows: That the conspiracy as describe in the  
23 indictment to describe the charged amount of controlled  
24 substances was willfully formed and was existing at or  
25 about the alleged time, that you willfully became a member

1 of the conspiracy, and that you distributed a quantity of  
2 a controlled substance equal to or in excess of the  
3 amounts charged in Count 1, that you agreed to assist in  
4 the distribution of a quantity of controlled substance  
5 equal to or in excess of the amounts charged in Count 1,  
6 or the distribution of the threshold quantity of  
7 controlled substances equal to or in excess of the amounts  
8 charged in Count 1 was reasonably foreseeable to you and  
9 the same was within the scope of your unlawful agreement.  
10 Do you understand those elements?

11 **MR. ALAS:** Yes, sir.

12 **MR. HYESTOS:** Yes, sir.

13 **THE COURT:** The statute provides in a case  
14 involving five kilograms or more of cocaine and/or  
15 50-grams or more of crack cocaine and no prior felony drug  
16 conviction, a minimum term of imprisonment of ten years  
17 and a maximum term of life imprisonment, no probation, no  
18 parole, a fine of four million dollars and a term of  
19 supervised release of at least five years in addition to  
20 any other term of imprisonment plus a special assessment  
21 of \$100. Do you understand the possible statutory  
22 sentencing provisions?

23 **MR. ALAS:** Yes, sir.

24 **MR. HYESTOS:** Yes, sir.

25 **THE COURT:** Understanding what you are charged

1 with, what the elements are and what the statutory  
2 sentencing provisions could be, do you still wish to plead  
3 guilty?

4 **MR. ALAS:** Yes, sir.

5 **MR. HYESTOS:** Yes, sir.

6 **THE COURT:** Mr. Patterson and Mr. Rice, you are  
7 offering to plead guilty to Count 1 of your indictment  
8 which charges as follows: It alleges that the various  
9 banks involved in the indictment were financial  
10 institutions with deposits insured by the Federal Deposit  
11 Insurance Corporation and that ArrowPointe Federal Credit  
12 Union was a financial institution with deposits insured by  
13 the National Credit Union Administration, and that between  
14 June of 2008 and October of 2008 that you did knowingly  
15 enter into an unlawful conspiracy -- excuse me, that you  
16 did enter into an unlawful scheme and artifice to defraud  
17 these banks and financial institutions of monies and funds  
18 and other property of the financial institutions by means  
19 of false and fraudulent pretenses, representations and  
20 promises. That's the gist of the indictment.

21 And the indictment further goes forth and  
22 charges certain matters that were done in part of the  
23 scheme and artifice to defraud. And the indictment  
24 further alleges certain matters which were accomplished to  
25 carry out the "check-kiting" aspect of the unlawful



1 scheme.

2 And furthermore, the indictment charges that  
3 between June 19, 2008, and October 14, 2008, in the  
4 District of South Carolina that you knowingly and  
5 willfully did execute and attempt to execute the scheme  
6 and artifice to defraud these financial institutions in  
7 that you did convert to your own use approximately \$21,826  
8 before the kiting scheme was discovered.

9 That's what's been alleged against you. Do you  
10 understand what you are charged with?

11 **MR. PATTERSON:** Yes, sir.

12 **MR. RICE:** Yes, sir.

13 **THE COURT:** The elements of this offense are as  
14 follows: That you knowingly executed a scheme or artifice  
15 to defraud a financial institution, that you did so with  
16 the intent to defraud, and the financial institutions were  
17 federally insured. Those are the basic elements. Do you  
18 understand that?

19 **MR. PATTERSON:** Yes, sir.

20 **MR. RICE:** Yes, sir.

21 **THE COURT:** The statute provides for a maximum  
22 fine of one million dollars and/or imprisonment for 30  
23 years, supervised release of five years and a special  
24 assessment of \$100. Do you understand that?

25 **MR. PATTERSON:** Yes, sir.

1                   **MR. RICE:** Yes, sir.

2                   **THE COURT:** Understanding what you are charged  
3 with, what the elements are and what the statutory  
4 sentencing provisions could be, do you still wish to plead  
5 guilty?

6                   **MR. PATTERSON:** Yes, sir.

7                   **MR. RICE:** Yes, sir.

8                   **THE COURT:** Mr. Shoemaker, you are offering to  
9 plead guilty to your indictment which charges that on or  
10 about September 17th in the -- excuse me, September 17th,  
11 2009, in the District of South Carolina that you, having  
12 been convicted of a crime punishable by imprisonment for a  
13 term exceeding one year, knowingly did possess in and  
14 affecting commerce firearms; that is, a Smith & Wesson .38  
15 caliber revolver, a Mossberg .270 caliber rifle and a  
16 Marlin 30-30 caliber rifle which had been shipped in  
17 interstate commerce. Do you understand what you are  
18 charged with?

19                   **MR. SHOEMAKER:** Yes, sir.

20                   **THE COURT:** The elements are that you had  
21 previously been convicted of a crime punishable by a term  
22 of imprisonment exceeding one year, that you knowingly  
23 possessed a firearm, and the possession was in and  
24 affecting interstate commerce because the firearm had  
25 traveled in interstate commerce at some point. Do you

1 understand those basic elements?

2 **MR. SHOEMAKER:** Yes, sir.

3 **THE COURT:** The statute provides for a maximum  
4 sentence of ten years and/or a fine of \$250,000,  
5 supervised release of three years and a special assessment  
6 of \$100. Do you understand that?

7 **MR. SHOEMAKER:** Yes, sir.

8 **THE COURT:** Understanding what you are charged  
9 with, what the elements are and what the statutory  
10 sentencing provisions could be, do you still wish to plead  
11 guilty?

12 **MR. SHOEMAKER:** Yes, sir.

13 **THE COURT:** Although each of you have indicated  
14 you wish to plead guilty, you are still presumed innocent.  
15 You have an absolute right to a jury trial. And at a jury  
16 trial you would be presumed innocent throughout the trial.

17 The burden of proof would be on the Government  
18 to prove your guilt beyond a reasonable doubt. And you  
19 would not be required to prove your innocence. If you  
20 chose to do so, you could remain silent and not testify  
21 during your trial and that fact could not be held against  
22 you.

23 You would be represented by your attorney  
24 throughout the trial. You would have the right of  
25 compulsory process, which means that you could subpoena

1 witnesses in your defense. If you chose to do so, you  
2 could testify in your defense, you could call witnesses in  
3 your defense and you could introduce any other relevant  
4 evidence in your defense. But you would not be required  
5 to testify, to call any witnesses or to produce any  
6 evidence because, as I said earlier, the burden of proof  
7 in a criminal case is always on the Government to prove  
8 your guilt beyond a reasonable doubt and you are not  
9 required to prove your innocence.

10 You would be entitled to a jury trial. And  
11 before you could be found guilty the verdict of the jury  
12 would have to be unanimous. And the jury would be  
13 instructed that if the Government failed in its burden of  
14 proof, the jury would be required to find you not guilty.

15 By pleading guilty you are giving up all of  
16 those rights in connection with a jury trial. Do you  
17 understand what I have just told you and do you still wish  
18 to plead guilty?

19 **MR. MICHAELSON:** Yes, Your Honor.

20 **MS. HARMON:** Yes, Your Honor.

21 **MR. ALAS:** Yes, Your Honor.

22 **MR. HYESTOS:** Yes, sir.

23 **MR. PATTERSON:** Yes, sir.

24 **MR. RICE:** Yes, Your Honor.

25 **MR. SHOEMAKER:** Yes, Your Honor.

1           **THE COURT:** Has anyone threatened, forced or  
2 coerced you in any way to get you to plead guilty?

3           **MR. MICHAELSON:** No, Your Honor.

4           **MS. HARMON:** No, Your Honor.

5           **MR. ALAS:** No, Your Honor.

6           **MR. HYESTOS:** No.

7           **MR. PATTERSON:** No, sir.

8           **MR. RICE:** No, Your Honor.

9           **MR. SHOEMAKER:** No, Your Honor.

10          **THE COURT:** Are you pleading guilty because you  
11 are guilty?

12          **MR. MICHAELSON:** Yes, Your Honor.

13          **MS. HARMON:** Yes, Your Honor.

14          **MR. ALAS:** Yes, Your Honor.

15          **MR. HYESTOS:** Yes, sir.

16          **MR. PATTERSON:** Yes, sir.

17          **MR. RICE:** Yes, Your Honor.

18          **MR. SHOEMAKER:** Yes, sir.

19          **THE COURT:** Has anyone, including your attorney,  
20 promised you what your actual sentence will be?

21          **MR. MICHAELSON:** No, Your Honor.

22          **MS. HARMON:** No, Your Honor.

23          **MR. ALAS:** No.

24          **THE COURT:** Speak up, please. The question is  
25 has anyone, including your attorney, promised you what

1 your actual sentence will be?

2 **MR. HYESTOS:** No.

3 **MR. PATTERSON:** No, sir.

4 **MR. RICE:** No, Your Honor.

5 **MR. SHOEMAKER:** No, Your Honor.

6 **THE COURT:** Mr. Michaelson, has the Government  
7 promised you anything to get you to plead guilty?

8 **MR. MICHAELSON:** No, Your Honor.

9 **MS. HARMON:** No, Your Honor --

10 **THE COURT:** Wait a minute.

11 **MS. HARMON:** Sorry.

12 **THE COURT:** Ms. Harmon, I understand there is a  
13 plea agreement in your case. I have a copy of the plea  
14 agreement. On the last page of the agreement there  
15 appears to be your signature. Is that your signature?

16 **MS. HARMON:** Yes, sir.

17 **THE COURT:** Have you and your attorney  
18 thoroughly reviewed this plea agreement?

19 **MS. HARMON:** Yes, sir.

20 **THE COURT:** Do you understand each and every  
21 provision of this agreement?

22 **MS. HARMON:** I believe so, yes, sir.

23 **THE COURT:** Is this the entire agreement between  
24 you and the Government?

25 **MS. HARMON:** Yes, sir.

1           **MR. WATKINS:** Your Honor, may it please the  
2 Court? I would like to point out there is an appellate  
3 waiver in this plea agreement where this defendant agrees  
4 in exchange for concessions made by the Government to  
5 waive her appellate rights and 2255 rights except for  
6 prosecutorial misconduct or ineffective assistance of  
7 counsel.

8           **THE COURT:** Do you understand what he just said?

9           **MS. HARMON:** Not exactly.

10          **THE COURT:** Well, the agreement apparently has  
11 in it a provision that in exchange for your plea the  
12 Government apparently is not proceeding against other  
13 counts.

14                   Is that correct?

15          **MR. WATKINS:** That's right. We are dismissing  
16 the first count at sentencing, Your Honor.

17          **THE COURT:** And what you are agreeing to do is  
18 waive your right to appeal the sentence. Do you  
19 understand that?

20          **MS. HARMON:** I believe so. I'm sorry. I  
21 believe so, yes, sir. I believe --

22          **THE COURT:** Well, ordinarily, a person reserves  
23 and has an absolute right to appeal a sentence once it is  
24 given. And unless there's some -- well, let me just say  
25 it this way. A person can give up that right. And what

1 this plea agreement says is that you are giving up that  
2 right to appeal the sentence. Is that your understanding?

3 **MS. HARMON:** Yes, sir.

4 **THE COURT:** And do you understand that if you  
5 don't like the sentence or you think there is some error  
6 made other than prosecutorial misconduct, you cannot  
7 appeal this sentence. Do you understand that?

8 **MS. HARMON:** Yes, sir.

9 **THE COURT:** All right.

10 Mr. Alas, has the Government promised you  
11 anything to get you to plead guilty?

12 **MR. ALAS:** No, sir.

13 **THE COURT:** And Mr. Hiestos, has the Government  
14 promised you anything to get you to plead guilty?

15 **MR. HYESTOS:** No, sir.

16 **THE COURT:** Mr. Patterson and Mr. Rice,  
17 Mr. Rice, has the Government promised you anything to get  
18 you to plead guilty?

19 **MR. PATTERSON:** No, sir.

20 **MR. RICE:** No, sir.

21 **THE COURT:** Well, you answered.

22 **MR. PATTERSON:** No, sir.

23 **THE COURT:** Thank you.

24 And Mr. Shoemaker, has the Government promised  
25 you anything to get you to plead guilty?



1                   **MR. SHOEMAKER:** No, sir.

2                   **THE COURT:** I'm sure you have been -- wait a  
3 minute. Mr. Michaelson, Ms. Harmon, Mr. Patterson,  
4 Mr. Rice, do you understand that if I accept your plea of  
5 guilty, at sentencing I can require you to make full and  
6 complete restitution for any loss to any victim? Do you  
7 understand that?

8                   **MR. MICHAELSON:** Yes, Your Honor.

9                   **MS. HARMON:** Yes, Your Honor.

10                  **MR. PATTERSON:** Yes, sir.

11                  **MR. RICE:** Yes, sir.

12                  **THE COURT:** As I'm sure you have been told, we  
13 have sentence guidelines in federal court. That procedure  
14 requires that the U.S. Probation Office prepare a  
15 Presentence Report in your individual case. And in the  
16 Presentence Report there will be a calculation as to a  
17 guideline range that applies in your case.

18                         Once the report is finalized, you and the  
19 Government are given copies of the report. And if there  
20 are any objections to anything in the report which cannot  
21 be resolved, you would be entitled to a hearing before the  
22 Court to resolve any objections.

23                         Once that is done, then the Court is required to  
24 consider the guidelines. The guidelines are advisory  
25 only. The Court can impose a sentence which is more

1 severe or less severe than that called for by the  
2 guidelines.

3 If you are sentenced to a term of imprisonment,  
4 there is no parole in federal court and you would not be  
5 eligible to be released on parole. And once you are  
6 sentenced, except for Ms. Harmon, you and the Government  
7 may have a right to appeal this sentence.

8 Do you understand what I have just told you?

9 **MR. MICHAELSON:** Yes, Your Honor.

10 **MS. HARMON:** Yes, Your Honor.

11 **MR. ALAS:** Yes, Your Honor.

12 **MR. HYESTOS:** Yes, sir.

13 **MR. PATTERSON:** Yes, sir.

14 **MR. RICE:** Yes, Your Honor.

15 **MR. SHOEMAKER:** Yes, sir.

16 **THE COURT:** I further tell you that if you are  
17 sentenced to a term of imprisonment, you will also be  
18 sentenced to an additional term of supervised release.  
19 And should you violate any of the conditions of your  
20 supervised release, you could be sentenced to an  
21 additional term of imprisonment. Do you understand that?

22 **MR. MICHAELSON:** Yes, Your Honor.

23 **MS. HARMON:** Yes, Your Honor.

24 **MR. ALAS:** Yes, Your Honor.

25 **MR. HYESTOS:** Yes, sir.

1                   **MR. PATTERSON:** Yes, sir.

2                   **MR. RICE:** Yes, Your Honor.

3                   **MR. SHOEMAKER:** Yes, sir.

4                   **THE COURT:** At this time I will ask the  
5 Government to summarize the facts in your case. When the  
6 Government finishes summarizing, I will ask you whether  
7 you agree with those facts and whether you are in fact  
8 guilty.

9                   First, as to Mr. Michaelson?

10                  **MR. STEPHENS:** Your Honor, may it please the  
11 Court? On December 28th, 2005, local law enforcement went  
12 to the residence of Mr. Michaelson. They had received  
13 information that there was someone outside his home trying  
14 to get in that had some weapons. When they arrived there,  
15 Mr. Michaelson told them that it was a locksmith trying to  
16 get into his home.

17                  As things developed, they asked permission to  
18 search his home. Found therein were some counterfeit  
19 currency.

20                  They then contacted Secret Service. Secret  
21 Service interviewed Mr. Michaelson. He admitted fully  
22 that he had been involved in manufacturing about \$4,000  
23 worth of counterfeit currency, 20-dollar bills. He said  
24 that he started out using it to buy drugs, that I believe  
25 only about \$110 went to a legitimate business. And that's

1 the case, Your Honor.

2 **THE COURT:** Having heard that, Mr. Michaelson,  
3 do you agree with it?

4 **MR. MICHAELSON:** Yes, Your Honor.

5 **THE COURT:** Did you as charged in the indictment  
6 on or about December 25th -- excuse me, December 2005 in  
7 the District of South Carolina with intent to defraud make  
8 false and counterfeit obligations of the United States as  
9 set forth and fully charged in the indictment?

10 **MR. MICHAELSON:** Yes, sir.

11 **THE COURT:** And are you guilty?

12 **MR. MICHAELSON:** Yes, Your Honor.

13 **THE COURT:** You may sign your plea at this time.  
14 As to Ms. Harmon?

15 **MR. WATKINS:** May it please the Court, Your  
16 Honor? This case originates from an investigation by  
17 postal inspectors and local law enforcement of the passing  
18 of counterfeit checks of the following businesses: Coupon  
19 Cash; Subway of Greenville; and Jank Enterprises, J-A-N-K.  
20 These checks were passed in the upstate of South Carolina.  
21 Inspectors identified Ms. Harmon as a participant in this  
22 scheme.

23 On January 23rd, 2009, Ms. Harmon was arrested  
24 pursuant to a bench warrant from Spartanburg County. At  
25 the time of her arrest, she was in possession of numerous

1 counterfeit checks, fraudulent driver's licenses and  
2 genuine driver's licenses. Specifically, Ms. Harmon  
3 possessed the following: The genuine driver's license of  
4 Donna Abbott Foster; an altered driver's license in the  
5 name of Donna Abbott Foster with a different driver's  
6 license number belonging to one Angela B. Waddell; an  
7 altered driver's license with the name of Beth Ann Foster,  
8 the driver's license number belonged to another victim,  
9 Ms. Jamie Elveena James; the genuine driver's license of  
10 James Anthony Giannico, G-I-A-N-N-I-C-O; and a genuine  
11 driver's license of Beth Ann Gregory.

12 In a statement given after waiving her Miranda  
13 rights, Ms. Harmon admitted to negotiating counterfeit  
14 checks. She also said that she got the IDs in her  
15 possession from Robert Bowling, who is a co-defendant in  
16 this case. She also admitted to scanning in genuine IDs  
17 and altering them for use in check cashing -- in the check  
18 cashing scheme.

19 **THE COURT:** Having heard that summary of the  
20 evidence, Ms. Harmon, do you agree with it?

21 **MS. HARMON:** Yes, sir.

22 **THE COURT:** Did you as charged in Counts 4 and 5  
23 on or about January 23, 2009, in the District of South  
24 Carolina unlawfully possess and utilize false  
25 identification documents as fully set forth in these two

1 counts?

2 **MS. HARMON:** Yes, sir.

3 **THE COURT:** And are you guilty?

4 **MS. HARMON:** Yes, sir.

5 **THE COURT:** You may sign your plea at this time.

6 As to Mr. Alas and Mr. Hiestos?

7 **MR. MOORMAN:** May it please the Court, Your  
8 Honor? On July 24th, 2009, a confidential informant  
9 working for the Greenville County Sheriff's Office made a  
10 monitored phone call to Alas to arrange to buy a kilogram  
11 of cocaine. The sale was to occur behind the Wal-Mart on  
12 White Horse Road in Greenville County but Alas called the  
13 C.I. and moved the meeting place to a trailer on White  
14 Horse Road which was later determined to be in Greenville  
15 County. The C.I. had told law enforcement that Alas would  
16 use a guy named "Young Boy Hiestos" to deliver the drugs  
17 and Hiestos would be driving a Ford Focus.

18 Law enforcement set up surveillance at 4807  
19 White Horse Road. And the police saw Alas in a Dodge  
20 pickup truck and Hiestos in a Ford Focus, both at the  
21 scheduled meeting place.

22 They moved in and arrested Alas and Hiestos.  
23 The police ran a dog around both the pickup truck and the  
24 Ford Focus and the dog alerted on both cars. The police  
25 later obtained a search warrant and searched the cars.

1 They found one kilogram of cocaine on the passenger seat  
2 of the Ford Focus, the car Hiestos was driving. They also  
3 seized Alas' cell phone which contained the C.I.'s number  
4 numerous times in the call log, one entry being within  
5 five minutes prior to the buy/bust.

6 After the arrest, the C.I. discussed the  
7 conspiracy with the agents. The C.I. made contact with a  
8 man named Alex, who was Alas, in April of 2009. The C.I.  
9 met Alas at a trailer. During the meeting, Alas showed  
10 the C.I. four kilograms of cocaine. The C.I. bought ounce  
11 quantities of cocaine from Alas for about a month after  
12 the meeting. He then bought kilogram quantities from Alas  
13 for the next three or four months, approximately 10 to  
14 15 kilograms. Over the next three or four months  
15 sometimes Alas would deliver the cocaine and sometimes  
16 Hiestos and Alas would deliver the cocaine.

17 Sometime in the spring or early summer of 2009,  
18 another co-defendant, Quinton Wright, called the  
19 confidential informant and wanted to know if the C.I.  
20 could put him in touch with the source of supply of  
21 cocaine. The C.I. introduced Wright to Alas and  
22 personally observed Wright purchased four and a half  
23 kilograms of cocaine from Alas on separate occasions.  
24 Wright continued to buy kilogram quantities of cocaine  
25 from Alas over the next few months and he would buy the

1 cocaine and manufacture crack cocaine well in excess of  
2 50-grams.

3 **THE COURT:** Having heard that summary, Mr. Alas  
4 and Mr. Hyestos, do you agree with it?

5 **MR. ALAS:** Yes.

6 **MR. HYESTOS:** Yes, sir.

7 **THE COURT:** Did you, as charged in Count 1 of  
8 the indictment, enter into this unlawful conspiracy to  
9 possess with the intent to distribute cocaine and crack  
10 cocaine as fully set forth and alleged in Count 1 of the  
11 indictment?

12 **MR. ALAS:** Yes, sir.

13 **MR. HYESTOS:** Yes, sir.

14 **THE COURT:** And are you guilty?

15 **MR. ALAS:** Yes, sir.

16 **MR. HYESTOS:** Yes, sir.

17 **THE COURT:** You may sign your pleas at this  
18 time.

19 As to Mr. Patterson and Mr. Rice?

20 **MR. WATKINS:** May it please the Court, Your  
21 Honor? This is a check-kiting case. And pursuant to the  
22 scheme to defraud, Defendants Patterson and Rice, along  
23 with co-defendants Mondell who had already pled guilty and  
24 others, opened various accounts at Palmetto Bank, First  
25 Citizens Bank, BB&T, and the Bank of Travelers Rest as



1 well as ArrowPointe Federal Credit Union. These  
2 institutions were insured by the FDIC or the National  
3 Credit Union Administration.

4 The defendants would write checks on bank  
5 accounts with insufficient funds and deposit the checks in  
6 other accounts. They would also insert empty deposit  
7 envelopes into ATM machines and key in false amounts for  
8 deposit. This pattern of depositing insufficient funds  
9 checks and false ATM deposits resulted in the books of the  
10 banks showing inflated balances. That permitted the  
11 checks to be honored rather than return unpaid. The  
12 defendants would then withdraw monies from the banks and  
13 write checks for goods and services based on inflated  
14 balances and thus take advantage of the time required for  
15 a check deposited in one bank to be physically presented  
16 for payment at the bank on which it was drawn.

17 From August 10 through August 30, 2008, a number  
18 of insufficient funds checks were drawn on accounts  
19 belonging to Mr. Rice and deposited into Mr. Patterson's  
20 account pursuant to the scheme. Just by way of example,  
21 on August 10, 2008, Check No. 223 was drawn upon  
22 Mr. Rice's BB&T account and deposited into Mr. Patterson's  
23 Regions Bank account. Also on August 12, 2008, Check  
24 No. 225 was drawn upon Mr. Rice's BB&T account and  
25 deposited in Mr. Patterson's Regions' account. There was

1 a number of other similar transactions.

2 Your Honor, on December 1st, 2008, Mr. Rice was  
3 advised of his Miranda rights and waived them and agreed  
4 to speak with Greenville County detectives. He provided a  
5 written statement regarding his participation in the  
6 scheme. He stated that Mr. Mondell had urged him to open  
7 checking accounts in exchange for payment. He admitted to  
8 opening accounts at BB&T and the Bank of Travelers Rest.  
9 He also confirmed that he provided Mr. Mondell with the  
10 address to which the account ATM debit cards should be  
11 mailed.

12 Mr. Patterson was interviewed by law enforcement  
13 on April 10, 2009. He also admitted that he opened  
14 multiple accounts at Mr. Mondell's request. The named  
15 banks in this case lost over \$20,000 because of the kite.

16 **THE COURT:** Mr. Patterson and Mr. Rice, having  
17 heard that summary by the Government, do you agree with  
18 it?

19 **MR. PATTERSON:** Yes, sir.

20 **MR. RICE:** Yes, sir.

21 **THE COURT:** Did you as charged in the indictment  
22 enter into this unlawful scheme and artifice to defraud  
23 these financial institutions as fully set forth and  
24 alleged in the indictment?

25 **MR. PATTERSON:** Yes, sir.

1           **MR. RICE:** Yes, sir.

2           **THE COURT:** And are you guilty?

3           **MR. PATTERSON:** Yes, sir.

4           **MR. RICE:** Yes, Your Honor.

5           **THE COURT:** You may sign your plea at this time.

6           As to Mr. Shoemaker?

7           **MR. WATKINS:** May it please the Court, Your  
8 Honor? In September 2009, Cherokee County sheriff's  
9 deputies received complaints that the defendant was  
10 selling black powder rifles and ammunition over the  
11 internet but not shipping the items to customers.  
12 Mr. Shoemaker was interviewed, waived his Miranda rights  
13 and did admit to defrauding people. He also gave law  
14 enforcement consent to search his home.

15           A search revealed that Mr. Shoemaker possessed a  
16 Smith & Wesson .38 caliber revolver, a Mossberg .270  
17 caliber rifle and a Marlin 30-30 caliber rifle. Each had  
18 been shipped and transported in interstate and foreign  
19 commerce.

20           The Mossberg and Marlin rifles were manufactured  
21 in Connecticut. And the Smith & Wesson pistol was  
22 manufactured in Massachusetts.

23           Mr. Shoemaker has been convicted of a crime  
24 punishable by imprisonment for a term exceeding one year;  
25 to wit, knowingly uttering worthless checks which is a

1 third degree felony in Florida and punishable by up to  
2 five years' imprisonment. This conviction was final in  
3 1991.

4 **THE COURT:** Mr. Shoemaker, having heard that  
5 summary by the Government, do you agree with it?

6 **MR. SHOEMAKER:** Yes, sir.

7 **THE COURT:** Did you as charged in the indictment  
8 on or about September 17, 2009, in the District of South  
9 Carolina, unlawfully possess firearms which had traveled  
10 in interstate commerce at some point, you having been  
11 previously convicted of a crime punishable by imprisonment  
12 for a term exceeding one year?

13 **MR. SHOEMAKER:** Yes, sir.

14 **THE COURT:** And are you guilty?

15 **MR. SHOEMAKER:** Yes, sir.

16 **THE COURT:** You may sign your plea at this time.  
17 The Clerk may publish the pleas.

18 **THE CLERK:** May it please the Court? The  
19 defendants standing before you have all withdrawn  
20 previously entered pleas of not guilty and enter pleas of  
21 guilty as follows: Shay Charles Michaelson to Count 1 of  
22 his indictment; Kristen Marie Harmon to Counts 4 and 5 of  
23 her indictment; Alvaro Alas to Count 1 of his indictment;  
24 Leonidas Hystos to Count 1 of his indictment; Joey  
25 Rayshon Patterson and Tommy Travis Rice to Count 1 of

1 their indictment; and Eric Michael Shoemaker to Count 1 of  
2 his indictment, all after arraignment in open court.

3 **THE COURT:** It is the finding of the Court in  
4 the cases just published by the clerk that each defendant  
5 is fully competent and capable of entering an informed  
6 plea. And each plea of guilty is a knowing and voluntary  
7 plea supported by an independent basis in fact containing  
8 each of the essential elements of the offense. Each  
9 please is therefore accepted and each defendant adjudged  
10 guilty of the respective offenses.

11 That's all until sentencing. Thank you for your  
12 cooperation.

13 **MR. STEPHENS:** Thank you, Your Honor.

14 **THE COURT:** We'll stand in recess until 1:30.

15 \*\*\*

16 I certify that the foregoing is a correct transcript from  
17 the record of proceedings in the above-entitled matter.

18  
19 s/Karen E. Martin

9/29/10

20 \_\_\_\_\_  
Karen E. Martin, RMR, CRR

Date \_\_\_\_\_